

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 532 - SB 745

March 11, 2013

SUMMARY OF BILL: Requires a physician to utilize the breast imaging reporting and data system to determine whether a patient has dense breast tissue and if so, provide a statement identifying the benefits of supplementary screening tests.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$129,400

Increase Federal Expenditures - \$245,600

Assumptions:

- The Department of Health, the Board of Medical Examiners, and the Board of Osteopathic Examination will be responsible for education and ongoing regulation to ensure radiologists and physicians are complying with the provisions of the bill.
- The Boards will be able to regulate the provisions of the bill through investigations of complaints, which will not significantly increase as a result of the proposed legislation.
- The Boards will accomplish any necessary rulemaking at regularly scheduled meetings.
- Any costs incurred by the Boards will not be significant and can be accommodated within existing resources.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period. The Board of Osteopathic Examination had closing balances of \$132,030 in FY10-11, \$117,644 in FY11-12, and a closing reserve balance of \$345,204 on June 30, 2012. The Board of Medical Examiners had closing balances of \$613,808 in FY10-11, \$687,808 in FY11-12, and a closing reserve balance of \$2,153,016 on June 30, 2012.
- According to the Bureau of TennCare, there are approximately 20,846 female TennCare enrollees who receive mammograms that result in dense breast tissue. Of those, approximately 65 percent, or 13,550, of enrollees with dense breast tissue have no additional testing.
- According to TennCare, the added notification language could lead to 30 percent, or 4,065 (13,550 x 30%), of current enrollees with dense breast tissue receiving an MRI or ultrasound test that would not be done today.
- TennCare estimates that nine percent, or 366, will receive an MRI at a cost of \$580 per test, resulting in an increase in expenditures of \$212,280 (366 x \$580).

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- TennCare estimates the remaining 91 percent, or 3,699, will receive an ultrasound at a cost of \$44 per test, resulting in an increase in expenditures of \$162,756 (3,699 x \$44).
- Of the total increase in expenditures of \$375,036 (\$212,280 + \$162,756), approximately \$129,387 will be state funds at a rate of 34.5 percent and \$245,649 will be federal funds at a match rate of 65.5 percent.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

/jdb